

Application for Relocation of State Harbor Lines

June 26, 2006

To: Washington Department of Natural Resources

From: Port of Bellingham

Contact: Mike Stoner, Environmental Director
Port of Bellingham
PO Box 1677
Bellingham, WA 98227

mikes@portofbellingham.com

List of Exhibits:

Exhibit A – Harbor Line Questionnaire and Letter of Support
Exhibit B – SEPA Checklist
Exhibit C – List of Abutting Property Owners
Exhibit D – Map of Proposed Harbor Line Changes

Note: No proposed construction is included with this application.

Application for Relocation of Harbor Lines – Exhibit A

1. What is the applicant's interest in the proposed relocation?

The relocation of Bellingham Bay Harbor Lines is being requested as a follow-up to work conducted in conjunction with the Department of Natural Resources (DNR) under the Bellingham Bay Demonstration Pilot. Specific objectives of the proposed action include the following:

- Align Bellingham Bay harbor areas with current shorelines and navigable water depths.
- Support the preservation of nearshore, shallow-water habitat areas, while preserving deepwater areas for navigation and commerce activities.
- Permit the development of transient moorage, public shoreline access features and salmon recovery improvements in the inner portion of the Whatcom Waterway, as outlined in the Waterfront Futures Group Framework and Vision Plan and in Port Resolution 1230 regarding updates to the dimensions of the federal navigation channel in the Whatcom Waterway.
- Support Port efforts to maintain economically viable deep draft maritime operations at the Bellingham Shipping Terminal and at the Fairhaven Terminal, while ensuring the protection and enhancement of Bellingham Bay ecosystems.
- Support Port, City and DNR efforts to implement sediment cleanup actions at multiple sites consistent with the objectives of the Bellingham Bay Demonstration Pilot.
- Coordinate land use planning activities with DNR consistent with the November 2005 Port-DNR Memorandum of Understanding.

2. How will the long term needs of water dependent commerce be affected?

The Harbor Line adjustments will support continued water-dependent commerce uses, particularly at the Bellingham Shipping terminal and Fairhaven terminal areas. Harbor Lines will be adjusted so that the harbor areas will be located offshore of other priority aquatic land uses such as the development of habitat benches for salmon recovery. Harbor areas will support continued navigation and commerce uses in deepwater areas, where conflicts with ESA and salmon recovery issues are minimized. The Port anticipates continued operation of deepwater maritime uses in both areas, with continued Port Management Agreement (PMA) operation in both areas after harbor line adjustments. PMA parcel boundaries may be adjusted as necessary after completion of harbor line adjustments. It is anticipated that the filled, state-owned portions of the Bellingham Shipping terminal will continue to be owned by the state and managed by

the Port under the PMA after harbor area adjustments and the anticipated subsequent platting of first-class tidelands.

Following the harbor line adjustments, it is anticipated that the Whatcom Waterway will be replatted by DNR and the Board of Natural Resources as first-class tidelands. This area of the waterway has been identified as a priority area for development of transient moorage facilities, along with implementation of nearshore habitat enhancement and shoreline public access improvements. Consistent with the Port-DNR Memorandum of Understanding, it is the objective of the Port to support of the implementation of the community land use vision as defined in the Waterfront Futures Group Vision and Framework Plan. The Port believes that this is best accomplished by operating the inner portion of the Whatcom Waterway as a locally-managed, multi-purpose channel. The Port commission previously issued Resolution 1230 requesting that the boundaries of the federal navigation channel be updated in this area. WRDA legislation in support of this update has been developed and is expected to be approved later this year. Updating of the state harbor area and waterway designations will streamline the implementation of the transient moorage, nearshore habitat and public access improvements in the inner waterway areas consistent with the community vision.

As described in Port resolution 1230, it is anticipated that the outer portion of the Whatcom Waterway will continue to be used for deep draft navigation, and will continue to be managed as a state waterway with an active federal navigation channel following harbor line adjustments and anticipated subsequent tideland replatting of the inner Whatcom Waterway area.

3. How will navigation beyond the outer harbor line be affected?

Updating of the harbor areas will support continued operation of navigation & commerce improvements at the Bellingham Shipping Terminal and at the Fairhaven Terminal. The proposed adjustments will not adversely impact navigation beyond the outer harbor line, but rather will align harbor areas with current shorelines and bathymetric patterns. This alignment will facilitate future harbor area planning in support of navigation uses, while simultaneously achieving implementation of the community land use vision for redevelopment of the inner Whatcom Waterway areas.

4. How will the proposed relocation affect public access to the waterfront?

Updating of the harbor areas will directly support the community efforts to enhance public access to the waterfront. Public shoreline access has been a key feature of community land use planning efforts, including both the Waterfront Futures Group visioning process and the ongoing New Whatcom Master Plan development. The relocation of the harbor lines

will support the implementation of these improvements, while preserving viable harbor areas for support of navigation and commerce activities. Public waterfront access improvements that are being considered as part of area-wide land use planning and that would be supported by the proposed harbor area updates include the following:

- Implementation of transient moorage in the inner portion of the Whatcom Waterway
- Development of shoreline public access areas along the inner portion of the Whatcom Waterway
- Development of public access improvements in the Central Waterfront area
- Development of park and public access areas along portions of the shoreline at the foot of Cornwall Avenue

The harbor area updates preserve existing public access improvements implemented by the City at Boulevard Park and the Taylor Avenue Dock areas.

5. How will the proposed relocation affect Indian treaty rights?

The harbor line relocations will not adversely impact treaty rights. Any future project activities conducted in waterfront areas will be subject to project reviews during which potential impacts to treaty rights will be evaluated.

6. What potential and need are there for extending the relocation farther (than proposed) along the shore in either direction?

The proposed Harbor Line adjustments address the area between the I&J Waterway and the Fairhaven Terminal. During the Bellingham Bay Demonstration Pilot, Pilot members discussed the possibility of adjustments to harbor areas west of the Squalicum Creek Waterway and south of the Fairhaven Terminal. However, the Port is not a significant land owner in these areas, and defers to DNR regarding potential harbor area updates in these areas.

7. Does the proposed relocation make a smooth tie-in to existing harbor lines?

Yes. The attached figure illustrates the Harbor Line adjustments that would support the proposed activities, including tie-ins to existing Harbor Lines. The Port will work with DNR to finalize the plan for Harbor Line adjustments after DNR review of this application.

8. What effects would there be if additional, similar relocations were approved in the future?

The proposed harbor line adjustments address current community objectives for the project area (described as the area between the I&J

Waterway to Fairhaven terminal) as developed during community land use planning efforts. The Port will work with DNR to determine if there are other similar relocations that are appropriate and that would similarly benefit the state and local community.

9. Is the relocation supported by all adjacent tideland and upland landowners?

Letters received by the Port in support of this proposal area attached. The Port will work with DNR to solicit comment from other adjacent tideland and upland landowners.

10. What effect will the proposed relocation have on the local, regional, or state economies?

The harbor line relocation supports the sustainable redevelopment of the New Whatcom area of Bellingham, in support of activities undertaken by the Port and City. The area redevelopment is intended to sustain and diversify the Bellingham economy.

The harbor line adjustments also support continued navigation and commerce activities at the Bellingham Shipping Terminal and at the Fairhaven Terminal. These areas include important regional trade and navigation centers including the following:

- Alaska Ferry Terminal and intermodal transportation facility.
- Operation of shipyard and shipbuilding, seafood processing, and marine industrial facilities at Fairhaven.
- Continued cargo operations at the Bellingham shipping terminal
- Potential future development of homeland security facilities for the Coast Guard and/or NOAA.
- Development of transient moorage facilities in the inner portion of the Whatcom Waterway in support of community revitalization efforts.

11. Explain how the proposed relocation and any potential resulting changes in development are consistent with plans and development guidelines of the public port, county, city and other local, state and federal agencies with jurisdiction?

The proposed harbor line relocation will directly support the ongoing local planning activities including the development of the Port-City Master Plan for the New Whatcom planning area, the update of the City and County Shoreline Master Programs, and implementation of cleanup and salmon recovery activities developed under the Bellingham Bay Demonstration Pilot in coordination with local, state and federal agencies. The anticipated replatting of the Whatcom Waterway to first-class tidelands after completion of the harbor line adjustments will support the operation of a locally-managed, multi-purpose channel in the inner portion of the waterway. This change in designation for the inner portion of the

Waterway will enhance the implementability of salmon recovery efforts, transient moorage facilities and public access improvements along this portion of the waterfront.

12. What benefits will the relocation provide to the general public as opposed to individual private property owners?

Most of the shoreline properties in the area of proposed harbor line relocation are owned by the City of Bellingham or by the Port of Bellingham. These properties are operated in support of community objectives, including 1) shoreline public access, 2) nearshore habitat enhancement and salmon recovery, 3) development and operation of navigation and commerce improvements. Benefits of the proposed harbor line relocation will accrue predominantly to the general public by supporting these uses of publicly-owned shoreline property. The conversion of the head of the Whatcom Waterway to a locally-managed multi-purpose waterway will directly enhance the sustainable redevelopment of the New Whatcom planning area, with benefits to the citizens of Whatcom County. This area will include development actions by both public and private parties, consistent with community objectives defined through the local Master Planning effort. The State of Washington will benefit through continued maintenance of viable harbor areas for navigation and commerce, while simultaneously supporting the community redevelopment vision. The Port and DNR are continuing to explore potential coordinated development opportunities consistent with the November 2005 Port-DNR Memorandum of Understanding.

13. What is the feasibility of alternatives to relocation such as dredging, upland acquisition, project redesign, etc.?

The updating of harbor line locations is considered the most environmentally protective manner in which to support community land use objectives. Deepening of navigation depths in existing nearshore areas would damage shallow-water aquatic habitat that is important to salmon recovery efforts. Alternatives for shoreline and aquatic uses at the head of the Whatcom Waterway were specifically evaluated as part of the Waterfront Futures Group visioning process, and as part of the Port Resolution 1230 related to updating of the federal navigation channel boundaries.



CITY OF BELLINGHAM
OFFICE OF THE MAYOR
MARK ASMUNDSON

June 26, 2006

Mr. Jim Darling
Executive Director
Port of Bellingham
PO Box 1677
Bellingham, WA 98227

Re: Proposed Adjustment to State Harbor Lines and Whatcom Waterway

Dear Jim,

I am writing in support of your proposal to apply to the Washington Department of Natural Resources for an adjustment to the state Harbor Lines in Bellingham Bay.

This represents one more step in the transition of an underutilized industrial area into a vibrant community waterfront. It is consistent with the partnership objectives of the City of Bellingham and the Port of Bellingham to implement the community vision crafted by the Waterfront Futures Group.

The City owns waterfront property within the Harbor Line and Waterway areas and has been working with the Port and DNR to coordinate our mutual and respective interests throughout the Bellingham waterfront. The proposed adjustment of state Harbor Lines helps accomplish this.

Earlier this Spring, the Port took action to adjust the boundaries of the federal channel in Whatcom Waterway, which I supported. The proposed adjustment to state Harbor Lines will allow an adjustment of the state-managed portion of the Whatcom Waterway, consistent the proposed federal action.

These steps in the process to transform our community waterfront are important and much appreciated. Thank you for your ongoing efforts for the people of Bellingham and Whatcom County.

Sincerely,

A handwritten signature in black ink, reading "Mark Asmundson". The signature is fluid and cursive, with the first name "Mark" and last name "Asmundson" clearly legible.

Mark Asmundson
Mayor, City of Bellingham

June 23, 2006

Jim Darling, Executive Director
Port of Bellingham
P.O. Box 1677
Bellingham, WA 98227

Dear Jim:

As you know Ebenal General is currently the only owner of private property on the Whatcom Waterway shoreline. As a property owner, we have been working with the Port during the planning and transition of the Georgia-Pacific site and adjacent properties from industrial to a revitalized mix-use community waterfront.

Earlier this spring, I provided written and verbal support to the Port Commission about the proposed transition, including an adjustment to the federal channel within Whatcom Waterway.

It is my understanding that the Port is now considering making application to the state Department of Natural Resources to make similar adjustments to the state Harbor Lines and state Waterway, in order to make it consistent with the boundaries of the new federal channel.

With this letter, I am writing in support of your proposal to work with DNR to make appropriate adjustments to the state Harbor Lines and the Whatcom Waterway.

Thank you for your good work, feel free to contact me as you move forward.

Sincerely,

A handwritten signature in black ink, appearing to be 'David Ebenal', with a long horizontal stroke extending to the right.

David Ebenal
Ebenal General, Inc.



P.O. Box 31548
Bellingham, WA 98228

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MAILED FROM ZIP CODE 98226

Port of Bellingham
P.O. Box 1677
Bellingham, WA 98227

Attn: Jim Harding, Executive Director



Fairhaven SHIPYARD

(a division of Puglia Engineering Inc.)

201 Harris Ave.
Bellingham, WA 98225
(360) 647-0080
(360) 647-8886 Fax

June 29, 2006

Mike Stoner
Environmental Director
Port of Bellingham
1801 Roeder Avenue
Bellingham, WA 98225

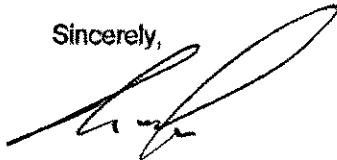
Dear Mr. Stoner:

This letter is in reference to the Port Commission Work Study Session that was held on Tuesday June 20th 2006. The session was primarily focused on a proposed change of the inner harbor line to allow a broader utilization of the shore line while still helping shoreline dependent industries.

Fairhaven Shipyard is a shoreline dependent company. Our business requires that customers gain access to our facility via the navigable waterways in Bellingham Bay.

Fairhaven Shipyard supports moving the inner harbor line out, allowing expansion businesses within the boundary. The extension of the boundary will be critical to accommodate a larger drydock at our current location. A larger drydock will allow larger vessels to be docked, subsequently employing more people within the area.

Sincerely,



Neil Turney
Owner, Puglia Engineering Inc.